COVENANT BETWEEN THE GOVERNMENT OF ISRAEL AND THE JEWISH AGENCY FOR ISRAEL

Entered into pursuant to the World Zionist Organization and Jewish Agency for Israel (Status) Law, 5713-1952

BETWEEN
The Government of Israel (hereinafter referred to as "the Government")

AND
The Jewish Agency for Israel (hereinafter referred to as "the Jewish Agency")

WHEREAS
It is the wish of the Government to promote the activities of the Jewish Agency and the wish of the Jewish Agency to cooperate and to act in full coordination with the State of Israel and its Government, in accordance with the laws of the State.

NOW THEREFORE this covenant is hereby entered into:

FUNCTIONS OF THE JEWISH AGENCY
1. The functions of the Jewish Agency are as follows:
   a. The organization of immigration in the Diaspora and the transfer of immigrants and their property to Israel;
   b. Participation in housing and absorption of immigrants;
   c. Agricultural settlement;
   d. Providing health services in connection with immigration and absorption;
   e. Youth Aliya and youth care and training;
   f. Maintenance and support of cultural, educational, scientific, religious, sports and social service institutions.
   g. Maintenance and support of institutions of higher education and research institutes.
   h. The care of aged, disabled, handicapped and other persons in need of assistance and social services.
   i. Any activity, either by itself or in cooperation with other institutions, designed to help immigrants and needy persons to become integrated in the life of the community in Israel.

ACTIVITIES ACCORDING TO LAW
2. Any activity carried out in Israel by or on behalf of the Jewish Agency for the purpose of performing all or any of the aforementioned functions shall be carried out in ac-
cording with the laws of the State of Israel applicable from time to time, including administrative directives in force from time to time with regard to the governmental authorities whose jurisdiction includes or is relevant to the activity in question.

PROGRAMS AGREED UPON WITH THE GOVERNMENT

3. In all or any of the aforementioned functions, the Jewish Agency shall act on the basis of programs agreed upon in advance with the Government or recommended by the Coordinating Committee defined hereinafter.

COORDINATION BETWEEN INSTITUTIONS

4. The Jewish Agency shall, in agreement with the Government, coordinate the activities in Israel of Jewish institutions and organizations, operating with public funds, within the sphere of the functions of the Jewish Agency.

TRANSFER OF FUNCTIONS

5. The Jewish Agency may carry out any of its functions through its own departments and institutions under its control, and it may enlist in its activities the cooperation of other institutions, provided that it shall not delegate any of its functions or rights hereunder and shall not authorize any body or institution to carry out its functions, wholly or partly, without the prior written consent of the Government.

MOBILIZATION OF RESOURCES

6. The Jewish Agency shall be responsible for the mobilization of financial and material resources required for the execution of its functions and mainly derived from contributions, donations, grants and bequests from communities all over the world, and from the income of investments and loans.

LEGISLATION

7. The Government shall consult with the Jewish Agency in regard to legislation specifically affecting the functions of the Jewish Agency before such legislation is submitted to the Knesset.

COORDINATING COMMITTEE

8. There is hereby established a Coordinating Committee (hereinafter referred to as the Committee) for the purpose of coordinating activities between the Government and the Jewish Agency and prevention of duplication in all fields covered by this Covenant.
COMMITTEE'S RULES OF PROCEDURE

9. The Committee shall meet at least three times a year and shall have power to appoint sub-committees consisting of its own members or also of other persons. The Committee shall from time to time submit to the Government and to the Jewish Agency reports of its deliberations and recommendations, subject to the foregoing provisions. The Committee itself shall determine its rules of procedure.

PERMITS AND FACILITIES

10. The Government undertakes to see to it that its ministries and competent authorities provide the Jewish Agency and its Funds and other institutions defined in the Annex hereto with all permits and facilities required by law, for the carrying out of the activities specified herein.

TAX-EXEMPTION

11. All contributions, gifts, donations and bequests to the Jewish Agency or to any of its Funds and other institutions defined in the Annex hereto, wholly or partly, shall be exempt from all taxes and compulsory charges.

Furthermore, the Jewish Agency and its aforementioned Funds and other institutions shall be exempt from all taxes and other compulsory government charges specified in the Annex hereto, subject to the limitations and conditions stated in the said Annex.

CHANGES

12. Any proposed change or amendment to this Covenant or its Annex, or any addition thereto, shall be made in writing and shall require the consent of the Government and the Jewish Agency.

REPEAL

13. The Covenant between the Government of Israel and the Zionist Executive called also the Executive of the Jewish Agency for Israel, entered into in 5715 - 1954, is hereby repealed.

DATE OF COMING TO FORCE

14. This Covenant shall be deemed to be in force and effect as of the 28th of Sivan 5731 (June 21, 1971).
ANNEX
To the Covenant between the Government of Israel and the Jewish Agency for Israel

1. In this Annex:

a. the United Jewish Appeal, Inc.;
b. the United Jewish Appeal of Greater New York, Inc.;
c. the United Israel Appeal, Inc.;
d. the United Israel Appeal of Canada - Harmagbil Hameuchedet Le Israel B'Canada Inc.;
e. the Joint Israel Appeal of Great Britain;
f. companies for the benefit of the public under the Charitable Trusts Ordinance exclusively controlled by the Jewish Agency;
g. any corporation wholly owned and controlled by the Jewish Agency, and/or by all or any of the Funds and other Institutions mentioned above, which is non-profit-making or whose activities and/or properties are exclusively devoted to the achievement of the purposes of the Jewish Agency and/or of the said Funds and Institutions; provided that in the event of the winding up of any such corporation all its residual assets shall be transferred to the Jewish Agency or to any such Fund or Institution as aforesaid;

In this sub-clause -
"corporation" means any company, association or other legal entity exclusively controlled by the Jewish Agency or by all or any of the aforementioned Funds and Institutions.

2. Subject to the undermentioned limitations and conditions, the Jewish Agency shall be exempt from the following taxes and compulsory government charges imposed by or in accordance with the undermentioned enactment:

1. property tax and compensation fund, under the Property Tax and Compensation Fund Law, 5721 - 1961, on those of its properties serving its purposes which bear no income or which bear income wholly devoted to the achievement of its purposes;
2. fees under the Land (Fees) Regulations, 5735 - 1975;
3. land appreciation tax and additional tax under the Land Appreciation Tax Law, 5724 - 1963;
4. compulsory loans imposed by law;
grants;
6. fees under the Companies (Fees and forms) Regulations, 5736 - 1976, clauses 1, 2(a), 2(b), 2(d), 3, 5, 6, 8, and 9 of the First Schedule, provided that the exemption shall only apply:
   (1) in the case of a company with a share capital - in the proportion of the part of the Jewish Agency and its Funds and other institutions in such share capital;
   (2) in the case of a company without a share capital - in the proportion of the part of the Jewish Agency and its Funds and other institutions in the membership of the company;
7. stamp duty under the Stamp Duty On Documents Law, 5721 - 1961, on the following:
   (3) debentures issued by the Jewish Agency, the redemption of which is guaranteed by the State of Israel;
   (4) the transfer or assignment to the Jewish Agency of shares in a company controlled by not more than 5 persons and mainly concerned with the acquisition and holding of land;
   (5) guarantees of debts of the Jewish Agency and guarantees by the Jewish Agency of debts of bodies in whose budgets the Jewish Agency participates;
   (6) license fees under the Traffic Ordinance for vehicles other than private vehicles, of the Jewish Agency and its Funds and other institutions.

3. The exemptions specified in this Annex are in addition to and not in derogation of exemptions under any law.

Done and signed in Jerusalem on the 3rd day of Tamouz 5739
(the 28th day of June 1979)

THE GOVERNMENT OF ISRAEL

THE JEWISH AGENCY FOR ISRAEL

by
Menachem Begin
Prime Minister

by
Chairman of the Executive
Arye Dulzin

by
Chairman of the
Board of Governors
Max M. Fisher